

MESSAGE NO: 7021113 MESSAGE DATE: 01/21/1997

MESSAGE STATUS: Active CATEGORY: Antidumping
TYPE: PRE-Preliminary PUBLIC ☒ NON-PUBLIC ☐
SUB-TYPE:

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REFERENCE
MESSAGE #
(s):

CASE #(s): A-588-840

EFFECTIVE DATE: COURT CASE #:

PERIOD OF REVIEW: TO

PERIOD COVERED: 12/10/1996 TO

Notice of Lifting of Suspension Date:

TO: { Directors Of Field Operations, Port Directors }

FROM: { Director AD/CVD & Revenue Policy & Programs }

RE: PRELIMINARY DETERMINATION OF ENGINEERED PROCESS GAS TURBO
COMPRESSOR SYSTEMS, WHETHER ASSEMBLED OR UNASSEMBLED, WHETHER
COMPLETE OF INCOMPLETE FROM JAPAN(A-588-840)

MESSAGE NO: 7021113

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CASES: A - 588 - 840

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PERIOD COVERED: 12 10 1996 TO

LIQ SUSPENSION DATE:

TO: CMC DIRECTORS,
PORT DIRECTORS

FROM: DIRECTOR, IMPORT OPERATIONS

RE: PRELIMINARY DETERMINATION OF ENGINEERED PROCESS GAS TURBO
COMPRESSOR SYSTEMS, WHETHER ASSEMBLED OR UNASSEMBLED,
WHETHER COMPLETE OF INCOMPLETE FROM JAPAN(A-588-840)

1. ON DECEMBER 10, 1996, THE DEPARTMENT OF COMMERCE PUBLISHED IN
THE FEDERAL REGISTER ITS PRELIMINARY DETERMINATION OF SALES AT
LESS THAN FAIR VALUE AND THE POSTPONEMENT OF THE FINAL
DETERMINATION OF ENGINEERED PROCESS GAS TURBO-COMPRESSOR SYSTEMS

(EPGTS), WHETHER ASSEMBLED OR UNASSEMBLED, AND WHETHER COMPLETE

OR INCOMPLETE FROM JAPAN (A-588-840).

2. WE HAVE CLARIFIED THE SCOPE SINCE THE INITIATION OF THIS INVESTIGATION WITH RESPECT TO THE END USES OF EPGTS, REPAIR AND REVAMP PARTS AND THE DEFINITION OF "INCOMPLETE" EPGTS, AS STATED BELOW.

THE PRODUCTS COVERED BY THIS INVESTIGATION ARE TURBO-COMPRESSOR SYSTEMS (I.E., ONE OR MORE "ASSEMBLIES: OR "TRAINS") WHICH ARE COMPRISED OF VARIOUS CONFIGURATIONS OF PROCESS GAS COMPRESSORS,

DRIVERS (I.E., STEAM TURBINES OR MOTOR-GEAR SYSTEMS DESIGNED TO DRIVE SUCH COMPRESSORS), AND AUXILIARY CONTROL SYSTEMS AND LUBRICATION SYSTEMS FOR USE WITH SUCH COMPRESSOR AND COMPRESSOR

DRIVERS, WHETHER ASSEMBLED OR UNASSEMBLED. ONE OR MORE OF THESE TURBO-COMPRESSOR ASSEMBLIES OR TRAINS, MAY BE COMBINED. THE SYSTEMS COVERED ARE ONLY THOSE USED IN THE PETROCHEMICAL AND FERTILIZER INDUSTRIES, IN THE PRODUCTION OF ETHYLENE, PROPYLENE, AMMONIA, UREA, METHANOL, REFINERY AND OTHER PETROCHEMICAL PRODUCTS. THIS INVESTIGATION DOES NOT ENCOMPASS TURBO-COMPRESSOR

SYSTEMS INCORPORATING GAS TURBINE DRIVERS, WHICH ARE TYPICALLY USED IN PIPELINE TRANSMISSION, INJECTION, GAS PROCESSING, AND LIQUID NATURAL GAS SERVICE.

THE SCOPE OF THIS INVESTIGATION EXCLUDES SPARE PARTS THAT ARE SOLD SEPARATELY FROM A CONTRACT FOR AN EPGTS. PARTS OR COMPONENTS IMPORTED FOR THE REVAMP OR REPAIR OF AN EXISTING EPGTS, OR OTHERWISE NOT INCLUDED IN THE ORIGINAL CONTRACT OF SALE FOR THE EPGTS OF WHICH THEY ARE INTENDED TO BE A PART, ARE EXPRESSLY EXCLUDED FROM THE SCOPE.

COMPRESSORS ARE MACHINES USED TO INCREASE THE PRESSURE OF A GAS OR VAPOR, OR MIXTURE OF GASES AND VAPORS. COMPRESSORS ARE COMMONLY CLASSIFIED AS RECIPROCATING, ROTARY, JET, CENTRIFUGAL, OR AXIAL (CLASSIFIED BY THE MECHANICAL MEANS OF COMPRESSING THE FLUID), OR AS POSITIVE-DISPLACEMENT OR DYNAMIC-TYPE (CLASSIFIED BY THE MANNER IN WHICH THE MECHANICAL ELEMENTS ACT ON THE FLUID

TO BE COMPRESSED). SUBJECT COMPRESSORS INCLUDE ONLY CENTRIFUGAL COMPRESSORS ENGINEERED FOR PROCESS GAS COMPRESSION, E.G., AMMONIA, UREA, METHANOL, PROPYLENE, OR ETHYLENE SERVICE.

TURBINES ARE CLASSIFIED (1) AS STEAM OR GAS; (2) BY MECHANICAL ARRANGEMENT AS SINGLE-CASING, MULTIPLE SHAFT, OR TANDEM-COMPOUND (MORE THAN ONE CASING WITH A SINGLE SHAFT); (3) BY FLOW DIRECTION (AXIAL OR RADIAL); (4) BY STEAM CYCLE, WHETHER CONDENSING, NON-CONDENSING, AUTOMATIC EXTRACTION, OR REHEAT; AND (5) BY NUMBER OF EXHAUST FLOWS OF A CONDENSING UNIT. STEAM AND GAS TURBINES ARE USED IN VARIOUS APPLICATIONS. ONLY STEAM TURBINES DEDICATED FOR A TURBO-COMPRESSOR SYSTEM ARE SUBJECT TO THIS INVESTIGATION.

A MOTOR AND GEAR BOX IS USED AS A COMPRESSOR DRIVER IN LIEU OF A STEAM TURBINE. A CONTROL SYSTEM IS USED TO MONITOR AND CONTROL THE OPERATION OF A TURBO-COMPRESSOR SYSTEM. A LUBRICATION SYSTEM IS ENGINEERED TO SUPPORT A SUBJECT COMPRESSOR DRIVEN BY A TURBINE (OR MOTOR/GEAR BOX).

A TYPICAL EPGTS CONSISTS OF ONE OR MORE COMPRESSORS DRIVEN BY A TURBINE (OR IN SOME CASES A MOTOR DRIVE). A COMPRESSOR IS USUALLY INSTALLED ON A BASE PLATE AND THE DRIVE IS INSTALLED ON A SEPARATE BASE PLATE. THE TURBINE (OR MOTOR DRIVE) BASE PLATE WILL TYPICALLY ALSO INCLUDE ANY GOVERNING OR SAFETY SYSTEMS, COUPLINGS, AND A GEARBOX, IF ANY. THE LUBE AND OIL SEAL SYSTEMS FOR THE TURBINE AND COMPRESSOR(S) ARE USUALLY MOUNTED ON A SEPARATE SKID.

THE SCOPE OF THIS INVESTIGATION COVERS BOTH "ASSEMBLED AND UNASSEMBLED" EPGTS FROM JAPAN. BECAUSE OF THEIR LARGE SIZE, EPGTS AND THEIR CONSTITUENT PARTS ARE TYPICALLY SHIPPED PARTIALLY ASSEMBLED (OR UNASSEMBLED) TO THEIR DESTINATION WHERE THEY ARE ASSEMBLED AND/OR COMPLETED PRIOR TO THEIR COMMISSIONING.

THE SCOPE OF THIS INVESTIGATION ALSO COVERS "COMPLETE AND INCOMPLETE" EPGTS FROM JAPAN. A "COMPLETE" EPGTS COVERED BY THE SCOPE CONSISTS OF ALL OF THE COMPONENTS OF AN EPGTS (I.E. PROCESS GAS COMPRESSOR(S), DRIVER(S), AUXILIARY CONTROL SYSTEM(S) AND

LUBRICATION SYSTEM(S) AND THEIR CONSTITUENT PARTS, WHICH ARE IMPORTED FROM JAPAN IN ASSEMBLED OR UNASSEMBLED FORM, INDIVIDUALLY OR IN COMBINATION, PURSUANT TO A CONTRACT FOR A COMPLETE EPGTS IN THE UNITED STATES. AN "INCOMPLETE" EPGTS COVERED BY THE SCOPE OF THIS INVESTIGATION CONSISTS OF PARTS OF AN EPGTS IMPORTED FROM JAPAN PURSUANT TO A CONTRACT FOR A COMPLETE EPGTS IN THE UNITED STATES, WHICH TAKEN ALTOGETHER, CONSTITUTE AT LEAST 50 PERCENT OF THE COST OF MANUFACTURE OF THE COMPLETE EPGTS OF WHICH THEY ARE A PART.

EPGTS IMPORTED FROM JAPAN AS AN ASSEMBLY OR TRAIN (I.E., INCLUDING TURBINES, COMPRESSORS, MOTOR GEAR BOXES, CONTROL SYSTEMS AND LUBRICATION SYSTEMS, AND AUXILIARY EQUIPMENT) MAY BE CLASSIFIED UNDER HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES ("HTSUS") SUBHEADING 8414.80.2015, WHICH PROVIDES FOR CENTRIFUGAL AND AXIAL COMPRESSORS. THE U.S. CUSTOMS SERVICE MAY VIEW THE COMBINATION OF TURBINE DRIVER AND COMPRESSOR AS "MORE THAN" A COMPRESSOR AND, AS A RESULT, CLASSIFY THE COMBINATION UNDER HTSUS SUBHEADING 8419.60.5000.

COMPRESSORS FOR USE IN EPGTS, IF IMPORTED SEPARATELY, MAY ALSO BE CLASSIFIED UNDER HTSUS SUBHEADING 8414.80.2015. PARTS FOR SUCH COMPRESSORS, INCLUDING ROTOR OR IMPELLERS AND HOUSING, ARE CLASSIFIED UNDER HTSUS SUBHEADING 8414.90.4045 AND 8414.90.4055.

STEAM TURBINES FOR USE IN EPGTS, IF IMPORTED SEPARATELY, MAY BE CLASSIFIED UNDER THE FOLLOWING HTSUS SUBHEADINGS:

8406.81.1020: STEAM TURBINES, OTHER THAN MARINE TURBINES, STATIONARY, CONDENSING TYPE, OF AN OUTPUT EXCEEDING 40 MW;

8406.82.1010: STEAM TURBINES OTHER THAN MARINE TURBINES, STATIONARY, CONDENSING TYPE, EXCEEDING 7,460 KW; 8406.82.1020:

STEAM TURBINES, OTHER THAN MARINE TURBINES, STATIONARY, CONDENSING TYPE, EXCEEDING 7,460 KW, BUT NOT EXCEEDING 40 MW;

8406.82.1050: STEAM TURBINES, OTHER THAN MARINE TURBINES, STATIONARY, OTHER THAN CONDENSING TYPE, NOT EXCEEDING 7,460 KW;

8406.82.1070: STEAM TURBINES, OTHER THAN MARINE TURBINES, STATIONARY, OTHER THAN CONDENSING TYPE, EXCEEDING 7,460 KW, BUT

NOT EXCEEDING 40 MW. PARTS FOR SUCH TURBINES ARE CLASSIFIED UNDER HTSUS SUBHEADING 8406.90.2000 THROUGH 8406.90.4580.

CONTROL AND OTHER AUXILIARY SYSTEMS MAY BE CLASSIFIED UNDER HTSUS 9032.89.6030, "AUTOMATIC REGULATING OR CONTROLLING INSTRUMENTS AND APPARATUS: COMPLETE PROCESS CONTROL SYSTEMS."

MOTOR AND GEAR BOX ENTRIES MAY BE CLASSIFIED UNDER HTSUS SUBHEADING 8501.53.4080, 8501.53.6000, 8501.53.8040, OR 8501.53.8060. GEAR SPEED CHANGERS USED TO MATCH THE SPEED OF AN ELECTRIC MOTOR TO THE SHAFT SPEED OF A DRIVEN COMPRESSOR, WOULD BE CLASSIFIED UNDER HTSUS SUBHEADING 8483.40.5010.

LUBRICATION SYSTEMS MAY BE CLASSIFIED UNDER HTSUS SUBHEADING 8414.90.4075.

ALTHOUGH THE HTSUS SUBHEADINGS ARE PROVIDED FOR CONVENIENCE AND CUSTOMS' OUR WRITTEN DESCRIPTION OF THE SCOPE OF THIS INVESTIGATION IS DISPOSITIVE.

3. EFFECTIVE DECEMBER 10, 1996, THE CUSTOMS SERVICE SHALL REQUIRE, FOR SUCH ENTRY SUMMARIES, A CASH DEPOSIT OR THE POSTING OF A BOND EQUAL TO THE MARGINS SHOWN BELOW:

| EXPORTER/MANUFACTURER & AFFILIATED US IMPORTER | ID NUMBER | WEIGHTED AVERAGE MARGINE PERCENTAGE |
|---|-----------|--|
|---|-----------|--|

mitsubishi heavy

| | | |
|------------|---------------|--------|
| industries | A-588-837-001 | 34.37% |
|------------|---------------|--------|

| | | |
|------------|---------------|--------|
| all others | A-588-837-000 | 34.37% |
|------------|---------------|--------|

4. THE CUSTOMS SERVICE SHALL REQUIRE THAT JAPANESE PRODUCERS/FOREIGN EXPORTERS IN THE EPGTS INDUSTRY STIPULATE ON THE SHIPMENT INVOICES THE EPGTS CONTRACT NUMBER PURSUANT TO WHICH

THE SUBJECT MERCHANDISE IS IMPORTED. IN ORDER TO ENSURE THAT THE SUSPENSION OF LIQUIDATION INSTRUCTIONS ARE NOT SO BROAD AS TO

COVER MERCHANDISE IMPORTED FOR NON-SUBJECT USES, THE CUSTOMS SERVICE SHALL REQUIRE THAT THE JAPANESE PRODUCERS/FOREIGN EXPORTERS IN THE EPGTS INDUSTRY PROVIDE CERTIFICATION THAT THE IMPORTED MERCHANDISE IS NOT SUBJECT. AN APPROPRIATE CERTIFICATION BY THESE PARTIES READS AS FOLLOWS:

"I, {NAME AND TITLE}, HEREBY CERTIFY THAT THIS ENTRY/SHIPMENT DOES NOT CONTAIN MERCHANDISE THAT IS IMPORTED FROM JAPAN PURSUANT TO A CONTRACT FOR AN ENGINEERED PROCESS GAS TURBO-COMPRESSOR SYSTEM AND IS, THEREFORE, NOT SUBJECT TO PRELIMINARY ANTIDUMPING DUTIES."

5. FOR THOSE ENTRIES OF EPGTS PARTS IMPORTED PURSUANT TO AN EPGTS CONTRACT, WHEN TAKEN ALTOGETHER, CONSTITUTE LESS THAN 50 PERCENT OF THE COST OF MANUFACTURE OF THE COMPLETE EPGTS OF WHICH

THEY ARE A PART, THE CUSTOMS SERVICE SHALL SUSPEND LIQUIDATION AT A ZERO DUTY RATE, PROVIDED THAT THESE ENTRIES ARE ACCOMPANIED BY A CERTIFICATION FROM THE JAPANESE PRODUCER/FOREIGN EXPORTER WHICH

READS AS FOLLOWS:

"I,{NAME AND TITLE}, HEREBY CERTIFY THAT THE COST OF THE ENGINEERED PROCESS GAS TURBO-COMPRESSOR SYSTEM PARTS CONTAINED IN

THIS AND ALL OTHER ENTRIES/SHIPMENTS FROM JAPAN PURSUANT TO CONTRACT NUMBER ---, CONSTITUTES LESS THAN 50 PERCENT OF THE COST OF MANUFACTURE OF THE COMPLETE ENGINEERED PROCESS GAS TURBO-COMPRESSOR SYSTEM OF WHICH THEY ARE A PART. I ALSO CERTIFY THAT THE REQUIRED DOCUMENTATION SUBSTANTIATING THIS CERTIFICATION HAS ALREADY BEEN SENT TO THE DEPARTMENT OF COMMERCE.

NOTE: IT IS NOT THE RESPONSIBILITY OF CUSTOMS FIELD OFFICERS TO VERIFY THE ACCURACY OF THE CERTIFICATION.

THESE INSTRUCTIONS WILL REMAIN IN EFFECT UNTIL FURTHER NOTICE.

6. WITH RESPECT TO ENTRIES OF SPARE AND REVAMP/REPAIR PARTS FROM JAPAN, THE CUSTOMS SERVICE SHALL NOT SUSPEND LIQUIDATION OF THESE ENTRIES IF THEY ARE NOT INCLUDED IN THE ORIGINAL CONTRACT OF SALE FOR THE EPGTS OF WHICH THEY ARE INTENDED TO BE A PART.

7. IF THERE ARE ANY QUESTIONS REGARDING THIS MATTER BY CUSTOMS OFFICERS, PLEASE CONTACT VIA E-MAIL THROUGH THE APPROPRIATE SUPERVISORY CHANNELS, IMPORT OPERATIONS, ANTIDUMPING/COUNTERVAILING DUTY, USING ATTRIBUTE "HQ OAB". ALL OTHER INTERESTED PARTIES SHOULD CONTACT IRENE DARZENTA OR HOWARD

SMITH, OFFICE OF AD/CVD ENFORCEMENT, IMPORT ADMINISTRATION, INTERNATIONAL TRADE ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE AT (202) 482-6320 OR (202) 482-5193, RESPECTIVELY.

PAUL SCHWARTZ
(ACTING)

Company Details

*Party Indicator Value:

I = Importer, M = Manufacturer, E = Exporter, S = Sold To Party